

First, on January 10, 1990, a division manager in Sarasota, Florida issued a memorandum describing a method to increase the exposure and access to the Young Adult Market for the Joe Camel campaign. The memorandum asked sales representatives to identify stores within their areas that "are heavily frequented by young adult shoppers. These stores can be in close proximity to colleges [, and] high schools . . ." The purpose of the memorandum was to make sure that those stores were always stocked with items that appeal to younger people—such as hats and tee shirts—carrying the Camel name and imagery.

A Wall Street Journal article revealed the contents of this letter and it also contained the company's response that the memo was a mistake. The company said the mistake had been corrected and explained that the manager had violated company policy by targeting high school students. However, on April 5, 1990, another division manager, this time in Oklahoma, sent a memo to all areas sales representatives and chain service representatives in parts of Oklahoma. The memo refers to what it calls "Retail Young Adult Smoker Retailer Account[s]" and goes on to say:

"The criteria for you to utilize in identifying these accounts are as follows: (1) . . . calls located across from, adjacent to [or] in the general vicinity of the High Schools . . ."

Second, an additional element of its Camel campaign was known as FUBYAS—FUBYAS—an acronym for First Usual Brand Young Adult Smokers. The company's own research in the 1980's revealed a noteworthy behavior among smokers: the brand that they use when they first become regular smokers is the brand that smokers stay with for years. There is a great deal of brand loyalty among smokers.

Third, the next slide shows the effect of the YAS or young adult smoker campaign. Prior to the campaign, about 2 to 3 percent of smokers under the age of 18 named Camel as their brand. By 1989, a year into the campaign, Camel's share of underage smokers had risen to 8.1 percent and within a few years it had grown to at least 13 percent. During this same period, Camel's share of the adult market barely moved from its four percent market share.

The campaign succeeded in resurrecting the moribund Camel brand. But it also managed to create an icon recognizable to even the youngest children. Two studies, one by an independent researcher and one company funded, found that children as young as three to six easily recognize Joe Camel and know that he is associated with cigarettes. The company's researcher found that children were as familiar with Joe Camel as they were with Ronald McDonald. This fact is significant because children this young get most of their product information from television advertising. But cigarettes have not been advertised on television since 1970.

The campaign was clearly very effective with the target group—the YAS smokers. But it was also effective with the younger, under 18 smokers.

The second example of industry promotion concerns the largest smokeless tobacco company in America. It was also trying to revive the declining market for its product. By 1970, these products were used predominantly by men over 50. Young males had the lowest usage.

The company set about to redesign its products and refocus its advertising and promotion to target younger people, especially younger men. Its high-nicotine delivery products were apparently not well tolerated by new users. But as part of the redesign, it developed low-nicotine delivery snuff prod-

ucts in easy to use teabag-like pouches. Company documents indicate that these products were developed to create "starter" brands that would attract new users who could not tolerate the higher-nicotine delivery products.

A cherry-flavored product was also developed. In fact, one former company sales representative was quoted in the Wall Street Journal as saying that the cherry product "is for somebody who likes the taste of candy, if you know what I'm saying."

The documents also show that the company set out to produce a range of products with low, medium, and high nicotine deliveries. One document shows that the company expected its customers to "graduate" upward through the range of nicotine deliveries. This chart, prepared by its marketing department shows the hierarchy of products, with arrows going from Skoal Bandits (the teabags), through Happy Days and Skoal Long Cuts, and ultimately to Copenhagen—the company's highest nicotine delivery product.

The idea behind the advertising and marketing strategy was captured in a statement a few years earlier, in 1968, by a company vice president:

"We must sell the use of tobacco in the mouth and appeal to young people . . . we hope to start a fad."

The company's reliance on the graduation process can also be seen in a company document that depicts a "bullseye" chart. This chart shows the company's plan to advertise, promote, and provide free samples of the lower nicotine delivery products to new users. The highest nicotine products were to be advertised only to current users, and only in a highly focused manner.

This product development and marketing strategy has been extremely successful in recruiting new users. Use of smokeless tobacco products has risen dramatically since the 1970's. Moist snuff sales tripled from 1972 to 1991 and use by 18 to 19-year-old boys increased 1,500 percent from 1970 to 1991.

The Camel and smokeless campaigns demonstrate how marketing and promotion targeted at younger tobacco users can also reach children and adolescents. And those young people who choose to smoke have easy access to the products. Tobacco products are among the most widely available consumer products in America, available in virtually every gas station, convenience store, drug store, and grocery store. And though every state in the country prohibits the sale of cigarettes to those who are underage, study after study demonstrates that these laws are widely ignored. Teenagers can purchase tobacco products with little effort—and they know it. A 1990 survey by the National Cancer Institute found that eight out of 10 ninth graders said it would be easy for them to buy their own cigarettes. By some estimates, at least as many as 255 million packs are sold illegally to minors each year.

Younger smokers are more likely to buy their cigarettes from vending machines, where they can make their purchases quickly, often unnoticed by adults. The vending machine industry's own study found that 13-year-olds are 11 times more likely to buy cigarettes from vending machines than 17-year olds. The 1994 Surgeon General's Report examined nine studies on vending machine sales and found that underage persons were able to buy cigarettes 82 to 100 percent of the time.

But the easy access does not stop with vending machines. Self-service displays allow buyers to help themselves to a pack of cigarettes or a can of smokeless with minimal contact with a sales clerk. This makes it easier for an underage person to buy tobacco products.

I've told you today that 90 percent of those who smoke began to do so as children and teenagers. I've told you that most of them become addicted and that 7 out of 10 wish they could quit. I've told you that the tobacco industry spends more than \$5 billion a year to advertise and promote an addictive product and it uses cartoon characters, tee shirts and other gimmicks that appeal to children. I've told you that one company went so far as to develop a young adult smoker's program which, intentional or not, increased cigarette sales to children.

Some may choose to ignore these facts. Some will continue to insist that the issue is an adult's freedom of choice. Nicotine addiction begins as a pediatric disease. Yet our society as a whole has done little to discourage this addiction in our youth. We must all recognize this fact and we must do more to discourage this addiction in our youth.

A comprehensive and meaningful approach to preventing future generations of young people from becoming addicted to nicotine in tobacco is needed. Any such approach should: First, reduce the many avenues of easy access to tobacco products available to children and teenagers; second, get the message to our young people that nicotine is addictive, and that tobacco products pose serious health hazards—and not just for someone else; and third reduce the powerful imagery in tobacco advertising and promotion that encourages young people to begin using tobacco products.

These types of actions have been advocated by many public health experts and organizations, including most recently the Institute of Medicine which recently issued a report on smoking and children. And a recent public opinion poll sponsored by the Robert Wood Johnson Foundation showed widespread public support for measures to reduce smoking by young people.

When it comes to health, we Americans are an impatient people. We venerate the deliberate, cautious scientific method but we yearn for instant cures. We grow restless waiting years or even months for answers, yet today I am telling you to look to the next generation.

Certainly some of the forty million addicted adult smokers in this country will succeed in quitting. Every addictive substance has some who are able to break its grip, and we should do all we can to support those who want to quit. But let us not fool ourselves. To succeed, we must fix our gaze beyond today's adults.

Of course we all want freedom for our children. But not the freedom to make irreversible decisions in childhood that result in devastating health consequences for the future. Addiction is freedom denied. We owe it to our children to help them enter adulthood free from addiction. Our children are entitled to a lifetime of choices, not a lifelong addiction.●

#### BUZZ ALDRIN ELEMENTARY SCHOOL

● Mr. WARNER. Mr. President, last Tuesday I had the privilege of attending the dedication ceremony naming the Buzz Aldrin Elementary School, in Reston, VA.

The school's namesake, Dr. Aldrin, delivered a very moving statement at that event. He reminded the students that "no dream is too high for those with their eyes in the sky."

Who among us does not remember being riveted by the words "one small

step for man; one giant leap for mankind?" Buzz Aldrin's inspiring remarks brought back that momentous day—July 20, 1969—when the *Eagle* landed and man's first steps were taken on the moon. Most importantly, he made it clear to the students in the audience that they, too, can and will accomplish great things.

I am pleased to share Dr. Aldrin's remarks with my colleagues and ask that they be printed in the RECORD.

The remarks follow:

A SPEECH BY BUZZ ALDRIN UPON THE DEDICATION OF THE SCHOOL NAMED IN HIS HONOR

Few people have the opportunity to attend the dedication of a school that has been named for them. My family and I are appreciative that the leadership of Fairfax County named Aldrin Elementary School in my honor, rather than in my memory! Thank you very much. It is a privilege to be here.

Twenty-five years ago it was a privilege to be there. It was incredible to be someone who lived the words, "to go where no man has gone before," and science fiction became scientific fact when we walked on the moon.

Some of you in the audience may still remember where you were when you heard that the *Eagle* had landed. Some of you sat glued to a television screen as I climbed down to the surface of the moon. For a nation unwilling to accept second place in the race for space, it was a declaration of victory. For a world believing that space was an unconquerable frontier, it was a shout of triumph. "One small step for man; one giant leap for mankind."

I still hear those words in my ears, just like the hallways of this school echo with the steps of boys and girls and adults. Each day students, teachers, and administrators alike are taking small steps together to embrace the future. Some steps are taken in wheelchairs. Some steps are aided by walkers. Some steps are the small steps of two year olds and the larger ones are the steps of 12 years olds. But no one really moves toward the future alone. Each of us has been helped in our stride toward tomorrow. The steps that occur within this school are not steps taken alone. Parents hold the hand of their children, each step a step of love. Teachers hold the hands of students, each step a step of knowledge. Administrators hold the hands of students, parents, and faculty so that each step is supported. And community people, business leaders, people like Brian M. Mulholland, government officials like Senator Robb, Senator Warner, and so many others join hands and walk with this student body because the steps of students and faculty may look like small strides, but actually they are the steps that will take us into a world that will look very different.

It is here that you must take advantage of the latest in science and technology. It is here that you must realize that no dream is too small. And it is from here that a new generation of All-Stars have been born. Your theme this year has been "Reaching for the Moon With Its Stars," and appropriately so. Schools are places for those small steps that later become giant leaps. It is here that hopes are nurtured and cultivated. It is here that children can be instructed to do what others have done, and be challenged to do what no one else has accomplished.

My message to you today is that "No dream is too high for those with their eyes in the sky."

You honor more than me and my name with this school. You honor the dreams that propelled our nation to explore space and the hopes that continue to lead us toward the future. May we continue to honor our hopes

and dreams by enabling the small steps of children to become giant leaps for humanity.

It is obvious that "It's one small step for man; one giant leap for mankind" every day at Aldrin Elementary School. •

#### CUT CORPORATE WELFARE

• Mr. SIMON. Mr. President, there has been a great deal of praise to various people for direct lending, including some to PAUL SIMON.

But the person who really pioneered direct lending for the student loan program and was convinced of its usefulness before I was, is Congressman TOM PETRI, a Republican Member from Wisconsin.

Recently, he sent a "Dear Colleague" letter on direct lending because it is now threatened by people who profit from the present system.

His "Dear Colleague" is titled "Cut Corporate Welfare," and I ask that it be printed in the RECORD.

The letter follows:

#### CUT CORPORATE WELFARE

DEAR COLLEAGUE: Those of us who call ourselves fiscal conservatives won't have one shred of credibility as budget cutters if we are unwilling to go after corporate welfare with the same zeal we apply to other types of waste. And in this kind of effort, liberals should be willing to join us. Please consider the following case carefully.

Suppose you were a banker and you were able to make loans that: were fully guaranteed by the federal government (i.e. as safe as t-bills); paid you interest directly from the federal government for a period of years at 2.5% more than the interest on t-bills; were fully as liquid as t-bills (or even more so) because you could sell them at any time at face value or even a slight premium in a large secondary market with plenty of eager buyers; require no credit-worthiness analysis up front; and required no collection effort for a period of years (you do nothing but sit back and collect your interest), after which you could still sell them or start collecting on them and receiving an extra .6% interest?

Wouldn't that be a great deal? Wouldn't you fight like Hell to keep it? You bet. And the deal exists—it's the guaranteed student loan program. But it's a lousy deal for the taxpayers. They'd be much better off selling t-bills themselves to finance the loans (rather than renting banks' capital at 2.5% more than the t-bill rate) and then contracting for loan servicing with the current private servicers on a competitive bid basis. And guess what? That's what direct lending is. It's still a public/private partnership, but the one useful function the private sector performs—loan servicing—is priced in a market process rather than a political negotiation over interest rate premiums.

Think about it another way: what useful function are the banks providing? They can't assess risk. They take no risk. We can get cheaper capital. And we wouldn't even need their servicing if we collected these loans as income taxes through the IRS.

Make no mistake—guaranteed student loans contain an enormous bank subsidy. That's one of their four main sources of waste (the others are default costs, administrative complexity, and mistargeted subsidies for students). If we don't get rid of this corporate welfare, we'll have to cut more somewhere else.

The choice is clear—are you for the banks or for the taxpayers? True fiscal conserv-

atives should have no doubt about whose side to take.

Sincerely,

THOMAS E. PETRI, M.C. •

#### VETERANS' COMMUNITY-BASED CARE ACT

• Mr. WELLSTONE. Mr. President, I rise to support S. 725, the Veterans' Community-Based Care Act of 1995, introduced by my distinguished colleague, Senator ROCKEFELLER. I am honored to be an original cosponsor of this bill that I deeply believe is of signal importance to veterans and to the future of VA health care.

The VA currently is planning to revamp its health care system to reduce its strong emphasis on inpatient hospital care in order to provide more veterans with health care in outpatient and noninstitutional settings, including community-based facilities when such care is appropriate. This bill will not only support VA's restructuring efforts, but also help some of our most vulnerable veterans—those with substance abuse problems who require rehabilitation services; elderly veterans who are infirm; and homeless veterans who suffer from severe mental illnesses or substance abuse problems.

Let me stress that these are proven programs with successful track records and this bill will extend existing authorities for these worthwhile and innovative programs for about 5 years.

Mr. President, I would like to briefly describe these programs so that my colleagues may more fully appreciate their value to needy individual veterans and to the VA health system as a whole:

One provision would extend VA authority to contract with non-VA halfway houses for rehabilitation services for veterans with substance abuse problems. This worthwhile program was first authorized in 1979, and currently operates at 106 medical centers, with 6,300 veterans treated in fiscal year 1994. These community half-way houses perform a vital function in facilitating a veteran's successful transition from inpatient substance abuse treatment and detoxification to independent living within the community. The half-way houses provide a supervised, substance free environment, and help develop independent living and social skills. I strongly and unequivocally supported extension of this program in the 103d Congress and I firmly believe it merits further extension.

The bill also would extend VA's authority to provide health and health-linked service to veterans who otherwise would need nursing home care. It enables veterans to live at home and receive, at less cost to VA and the taxpayer, the same type of services that would otherwise be provided in a hospital or nursing home. Mr. President, this can be best described as a win-win-win program. Veterans would be able to continue living at home, costs to the taxpayer would be cut significantly,